

CIRCULAR CONSTRUCTION POLICY

SCOPE AND OBJECTIVE

The Holcim Circular Construction Policy (the “Policy”) (previously named Circular Economy Policy) applies to Holcim Ltd and its affiliates in our managed and consolidated countries (“Holcim”), and describes our approach towards the efficient use of natural resources and the reduction of waste.

The Policy’s main purpose is to set out the company’s objective to drive circular construction in a way that is nature-positive, climate-friendly and socially inclusive. It decouples our growth from our use of natural resources by providing efficient ways to reuse materials, and eliminate and manage waste. This Policy is publicly available and subject to regular review.

OUR COMMITMENTS TO CIRCULAR CONSTRUCTION

As the world’s population grows, we are building the equivalent of Madrid every week. We need to do so sustainably, with solutions that not only improve people’s quality of life but also reduce, recycle and reuse materials. We are committed to building cities from cities, establishing recycling hubs in the major metropolitan areas where we operate, reducing the use of primary materials and minimizing waste.

Our circular construction model is based on three key actions:

- **Maximize resource circularity through urban mining:** We commit to scaling circular construction by deploying ECOCycle® technology to recycle construction and demolition materials (CDM). By strengthening our logistics networks and municipal partnerships, we secure high-quality recycled content, replace virgin aggregates, and divert waste from landfills to keep materials in use at their highest value.
- **Repair and refurbishment:** We advocate for the "repair over replace" model by providing advanced roofing, insulation, and renovation systems that extend the life of existing buildings. Our commitment to refurbishment reduces the environmental footprint of the built environment while significantly improving the energy efficiency of the existing infrastructures.
- **Implement a rigorous waste hierarchy:** We drive operational excellence by minimizing waste generation within our own processes and managing external waste streams through Geocycle, our waste management solutions provider. By strictly applying the waste hierarchy - prioritizing reuse and recycling over recovery - we transform waste from municipalities and industries into valuable resources for our production portfolio.

Our commitment is translated to targets and clear actions to drive performance within our operations. We comply with, and often exceed, the applicable local, state, federal and national waste regulations in all our operations.

POLICY PRINCIPLES

The main principle of this Policy is to minimize our impact on the environment and develop products and solutions designed to reduce virgin material use.

We require all our operations to measure the volumes of CDM used and to proactively identify new opportunities to increase the overall recycled content of our products.

We focus our efforts in these main areas:

- **Urban Mining for Circularity:** Creating new building products from recycling waste, including CDM and waste diverted from landfills.
- **Building Cities from Cities:** Expanding our network of circular construction hubs in key metropolitan areas to vertically integrate recycled materials into our product portfolio.
- **Low-Carbon Formulation:** Manufacturing using recycled industrial byproducts as raw materials.
- **Powering Our Operations:** Fueling our sites with energy derived from materials at the end of their lifecycle.
- **Energy-Efficient Refurbishment:** Driving renovation of the built environment with innovative repair and retrofitting systems to make buildings more energy-efficient and last longer.
- **Circular Design:** Promoting, and advocating for design and construction methods prioritizing circularity, minimal material use, and design for disassembly.
- **Innovation:** We invest in proprietary advanced processing technologies to upcycle recycled materials into high value end products for our customers.
- **Advocacy:** We advocate for the evolution of building norms and standards to increase the recycled content allowed or required within buildings and infrastructure, while pushing for stricter landfill regulations.

Our circular construction commitments are aligned with the principles, values and targets included in the United Nations Sustainable Development Goals (SDGs). This Policy and related directives and Minimum Control Standards listed below support these commitments.

We engage transparently with our stakeholders and communicate openly on our performance and improvement initiatives with consistent and relevant information. We cooperate pro-actively with legislators and regulators in relation to new regulations and standards.

OPERATIONAL REQUIREMENTS

We implement stringent monitoring and control systems for waste, by-products, and secondary materials to ensure the highest standards of product reliability and performance. To achieve this, each installation must adhere to the following operational requirements:

- **Waste Management Programs:** Each unit must design and implement a program strictly aligned with the waste hierarchy.
- **Landfill Avoidance:** The landfilling of internally generated waste must be avoided, supporting our goal of zero waste to landfill.

- **Standardized Material Handling:** All incoming by-products and secondary materials must be managed according to our Alternative Fuels and Resources (AFR) Framework and Recycled Aggregates Best Practice guidelines.

MONITORING AND REPORTING

Every Unit must monitor the volume of waste that its operations generate and the volumes of recycled waste, including CDM and byproducts reused within its production process. We pursue the highest level of transparency with regards to nature-related financial disclosures aligned with relevant frameworks such as the European Sustainability Reporting Standards (ESRS) and have included circular construction-related risks and opportunities in our Enterprise Risk Management process. Progress against our circular construction targets is regularly monitored, and disclosed annually.

RESPONSIBILITIES

The Holcim Board of Directors, through its Health, Safety and Sustainability Committee (HSSC), is responsible for overseeing the company's circular construction strategy, approving long-term targets, and reviewing circular construction-related risks and performance annually.

The Chief People and Sustainability Officer is the designated owner of this policy and is responsible for its implementation, monitoring, and reporting to the Board's HSSC; chief executive officers and executive committees in countries where we operate have the responsibility and accountability for the implementation of this Policy in their respective operations.

The original version of the Circular Construction Policy (named Circular Economy) was approved by the Holcim Group Executive Committee on June 2nd, 2022 and is effective from June 30th, 2022.

DEFINITIONS AND ABBREVIATIONS

Term/Abbreviation	Definition
AFR	Alternative Fuels and Resources
CDM	Construction and Demolition Materials
ESRS	European Sustainability Reporting Standards
HSSC	Health, Safety and Sustainability Committee
SDG	Sustainable Development Goal

DOCUMENT CONTROL	
Approved by	Vice President Sustainability Chief People and Sustainability Officer
Related Policies, Directives and	Climate Policy Nature Policy

MCS	Human Rights and Social Policy Procurement Policy Holcim Code of Ethics for Suppliers Quarry Rehabilitation and Biodiversity Directive Water Directive Human Rights Directive Carbon Credit Directive Sustainable Procurement Directive MCS 17, MCS 61, MCS 63
Other supporting documents	Alternative Fuels and Resources (AFR) Framework Cement Industrial Framework - Environment & Sustainability Internally Generated Waste Standard HARP 6.2.4.4 Construction and Demolition Materials (CDM), HARP 6.2.1.4 ECOCycle labeled products, HARP 6.2.4.1 Waste Derived Resources [t] Holcim Production & Circular Economy and Internal Waste questionnaire

VERSION CONTROL

Version Number	Issuance Date	Author	Summary of Changes
Version 1.0	January 17, 2022	Eva Carranza, Simone Sorbo (Sustainability)	Original version.
Version 2.0	February 27, 2026	Renata Pollini, Sajith Mohideen (Sustainability)	Updated and aligned with NextGen Growth Strategy 2030.